



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jennifer A. Maguire

**SUBJECT: HISTORICAL INFORMATION  
ON POLICE DEPARTMENT  
BUDGET AS A PERCENTAGE  
OF GENERAL FUND BUDGET**

**DATE:** May 30, 2008

Approved \_\_\_\_\_

Date 05/30/08

## BACKGROUND

In the 2008-2009 budget development process, there continues to be interest in the size of the Police Department budget relative to the entire General Fund budget. In response to those inquiries, an e-mail to the Mayor and City Council was released on May 14, 2008 that clarified that the Police Department represents 30.4% of the 2008-2009 Proposed General Fund Budget. On May 23, 2008, Manager's Budget Addendum (MBA) #26 was issued that responded to various Public Safety CSA Study Session follow-up questions, including a clarification that the Police Department budget represents 27.25% of the 2007-2008 Adopted Budget and 30.42% of the 2008-2009 Proposed Budget (Question #3). This memorandum provides historical context on the size of the Police Department's budget relative to the entire General Fund budget and the overall difficulties associated with comparing year-to-year percentage figures.

## ANALYSIS

The General Fund budget for the Police Department has ranged from approximately 26% to 30% of the total General Fund budget over the last several years as shown in the chart below.

**Comparison of Police Department General Fund Budget and Total City General Fund Budget  
(\$ in millions)**

	2003-04 Adopted	2004-05 Adopted	2005-06 Adopted	2006-07 Adopted	2007-08 Adopted	2008-09 Proposed
<b>Police Dept. General Fund Budget</b>	217.78	237.63	237.77	256.13	281.14	277.95
<b>Total General Fund Budget</b>	834.88	812.53	841.69	956.83	1,031.78	913.81
<b>% Police Budget of Total Budget</b>	26.08%	29.25%	28.25%	26.77%	27.25%	30.42%

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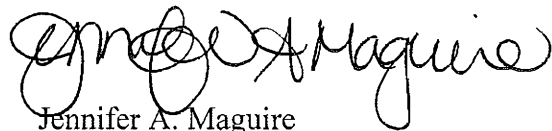
**Subject: Historical Information on Police Department Budget as a Percentage of General Fund Budget**

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It should be noted that the Police Department General Fund Budget figures do not include City-Wide Expenditures, such as workers' compensation claims payments and sick leave payments upon retirement expenditures associated with Police Department employees. The 2008-2009 Proposed Budget for the Police Department also does not include cost-of-living adjustments for employees represented by the Police Officers' Association (POA) and other employee bargaining units in the Police Department that are currently in negotiations (accounting for over 99% of their employees). Salary increases associated with those contracts are included elsewhere in the budget.

It should also be noted that the 2008-2009 General Fund total budget will likely increase before the budget is approved by the Mayor and City Council due to inclusion of proposed carryover of funding for department-specific projects (including for the Police Department), city-wide expenses and capital projects, as well as reserves that are anticipated to be unspent by the end of 2007-2008, but recommended to be retained for 2008-2009. These rebudget amounts for both the Police Department and the General Fund as a whole will ultimately change, in the Adopted Budget, the 30.42% Police Department total cited for the Proposed Budget. Salary increases will not be included in the Police Department's budget until negotiations are completed and, therefore, will not be reflected in the Police Department percentage until the next year's budget.

Overall, year-to-year comparisons of the relative size of the Police Department budget to the entire General Fund budget are difficult given the variances that occur each year during budget development. These variances result from factors not only affecting the Police Department budget, but the General Fund budget as a whole. These include such items as carryover projects that are rebudgeted to the next fiscal year as discussed above, one-time budget allocations, annualization of costs for ongoing budget augmentations or reductions, the status of negotiations, changes in retirement rates, and size of reserves (including Earmarked Reserves, the Contingency Reserve and the Encumbrance Reserve).



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